

MINUTES OF THE REGULAR CITY COUNCIL MEETING
TUESDAY- -JANUARY 19, 2010- -7:00 P.M.

Acting Mayor deHaan convened the meeting at 7:02 p.m. Councilmember Gilmore led the Pledge of Allegiance.

ROLL CALL - Present: Councilmembers Gilmore, Matarrese, Tam and Acting Mayor deHaan – 4.

Absent: Mayor Johnson – 1. [Note: Mayor Johnson was attending the Mayor's Conference in Washington D.C.]

AGENDA CHANGES

(10-019) Acting Mayor deHaan announced that the recommendation to appoint members of the sunshine task force [paragraph no. 10-026] was removed from the agenda.

PROCLAMATIONS, SPECIAL ORDERS OF THE DAY & ANNOUNCEMENTS

None.

CONSENT CALENDAR

Acting Mayor deHaan announced that adoption of the resolution [paragraph no. 10-023] was removed from the Consent Calendar for discussion.

Councilmember Matarrese moved approval of the remainder of the Consent Calendar.

Councilmember Tam seconded the motion, which carried by unanimous voice vote – 4. [Absent: Mayor Johnson – 1.]

(*10-020) Minutes of the Special Joint City Council and School Board Meeting held on January 5, 2010 and Special City Council Meetings held on January 6, 2010. Approved.

(*10-021) Ratified bills in the amount of \$4,670,055.34.

(*10-022) Recommendation to Solicit Bids and Sell Surplus Electrical Equipment. Accepted.

(10-023) Resolution No. 14413, "Ratifying the Public Utility Board's Approval of the Confirmation to the Single Member Services Agreement Between Alameda Municipal Power (AMP) and the Northern California Power Agency Regarding the Graeagle Hydroelectric Facility Power Purchase Agreement and Authorize the General Manager of Alameda Municipal Power to Execute the Confirmation to the Single Member

Services Agreement.” Adopted.

Councilmember Matarrese inquired who is Henwood Associates.

The AMP General Manager responded Mark Henwood has been an electric utility consultant for decades; stated the Federal Deregulation Act allowed individuals to become independent power producers; Mr. Henwood is an independent power producer and develops power projects; he developed the project over 20 years ago and sold the output to Turlock Irrigation District and Alameda; the recommendation is to renew the Agreement.

Councilmember Matarrese stated the staff report states AMP will pay Northern California Power Agency (NCPA) for energy, capacity and environmental attributes at the same rate that NCPA is obligated to pay Henwood Associates under the Agreement; inquired whether the PUB reviewed the Agreement to ensure there is some control over rates.

The AMP General Manager responded a flat price was negotiated; stated the price for renewable power today is higher than said price; the California Public Utilities Commission (CPUC) determines the Market Price Referent (MPR) for renewable power, which allows investor owned utilities to buy power at the set price or lower; the negotiated price in the Contract is lower than the MPR.

Councilmember Matarrese inquired whether the price will last for the 20 year term of the Contract, to which the AMP General Manager responded in the affirmative.

In response to Councilmember Matarrese’s inquiry regarding whether administrative costs are subject to escalation, the AMP General Manager stated administrative costs are subject to escalation and NCPA’s cost allocation; NCPA completed a three-year process to establish an updated cost allocation scheme; NCPA’s current plans are to expand membership to lower costs; administrative costs for the project are very low compared to the open market.

Councilmember Tam stated the AMP General Manager indicated that the cost of \$88 per megawatt hour is low; inquired what are comparable costs.

The AMP General Manager responded during negotiations, the MPR was \$117; stated the CPUC has reduced the MPR due to natural gas prices coming down; that he believes the current MPR is \$98 or \$99.

Councilmember Tam stated not every small hydropower qualifies for the green energy label; the project has to be fewer than 30 megawatts to qualify.

Councilmember Tam moved adoption of the resolution.

Councilmember Matarrese seconded the motion, which carried by unanimous voice

vote – 4. [Absent: Mayor Johnson – 1.]

CITY MANAGER COMMUNICATIONS

(10-024) State Budget

The Interim City Manager gave a brief report on the State budget; announced a Special Meeting dedicated to budget matters would be held next Tuesday, January 26.

In response to Acting Mayor deHaan's inquiry regarding the gas tax, the Interim City Manager stated the City receives \$1.2 million on an annual basis; the impact of the State taking the gas tax would be analyzed; the State would do the same thing that has been done with sales tax and property tax.

Acting Mayor deHaan inquired whether the State has determined its shortfall amount, to which the Interim City Manager responded in the negative; stated the amount is a moving target.

REGULAR AGENDA ITEMS

(10-025) Recommendation to Award a Contract in the Amount of \$60,280 to AZCO Supply and Authorize a Ten Percent Contingency to Purchase Twenty-five Streetlight Poles as Part of the Woodstock to Webster Street Neighborhood Improvement Project, and Authorize the Interim City Manager to Execute the Contract and Related Documents.

The Economic Development Department Division Manager gave a Power Point presentation.

Councilmember Matarrese inquired whether the poles would be fiberglass, to which the Division Manager responded in the affirmative.

Councilmember Matarrese inquired what is the life expectancy relative to steel or aluminum.

The Project Manager responded that she does not know the difference in life expectancy; stated AMP would only allow fiberglass poles to be installed.

In response to Councilmember Matarrese's inquiry regarding why AMP requires fiberglass, the Project Manager stated AMP finds fiberglass easier to install, lighter for crews and easier to switch out.

Councilmember Matarrese stated that he is concerned fiberglass does not hold up; the life expectancy of steel or aluminum is a lot longer; poles might need to be replaced in four or five years.

Acting Mayor deHaan stated that he is impressed with the design of the lights; fiberglass poles were not installed on Park and Webster Streets; the existing [steel or aluminum] poles have been in place for over 75 years and are bullet proof; the fiberglass poles installed on Otis Drive are showing wear.

The Interim City Manager suggested the matter be continued to the January 26 meeting.

Councilmember Tam left the dais at 7:16 p.m. and returned at 7:17 p.m.

Councilmember Gilmore stated the poles on Park and Webster Streets were not installed too long ago; when the matter returns, she would like to know why the change has been made.

Michael John Torrey, Alameda, stated the project should move forward as soon as possible.

(10-026) Recommendation to Appoint Members of the Sunshine Issue Spotting Task Force. Not heard.

ORAL COMMUNICATIONS, NON-AGENDA

None.

COUNCIL REFERRALS

None.

COUNCIL COMMUNICATIONS

None.

ADJOURNMENT

(10-027) There being no further business, Acting Mayor deHaan adjourned the meeting in memory of Haiti earthquake victims at 7:22 p.m.

Respectfully submitted,

Lara Weisiger
City Clerk

The agenda for this meeting was posted in accordance with the Brown Act.